

## Message Text

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PAGE 01 BUENOS 06454 261413Z

42

ACTION ARA-10

INFO OCT-01 ISO-00 OMB-01 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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R 261325Z SEP 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2877

C O N F I D E N T I A L BUENOS AIRES 6454

E. O. 11652: GDS

TAGS: PINT, AR

SUBJECT: CHECK SCANDAL GAINING INTENSITY AS POLITICAL ISSUE

REF: BUENOS AIRES 6313

1. ON SEPTEMBER 21 INFLUENTIAL DAILY LA OPINION RAN FULL-PAGE ARTICLE DELVING INTO BACKGROUND OF THE CRUZADA JUSTICIALISTA, THE PRIVATE PERONIST WELFARE AGENCY WHICH WAS SOURCE OF FUNDS MRS. PERON USED TO SATISFY OBLIGATIONS TO OTHER HEIRS WITH CLAIMS ON HER LATE HUSBAND'S ESTATE. ACCORDING TO LA OPINION ACCOUNT, THE CRUZADA JUSTICIALISTA WAS INCORPORATED AS CHARITABLE FOUNDATION IN DECEMBER 1973. ITS PRESIDENT WAS THEN VICE PRESIDENT MRS. PERON; OTHER BOARD MEMBERS INCLUDED FORMER SOCIAL WELFARE MINISTER JOSE LOPEZ REGA, THEN CHAMBER OF DEPUTIES PRESIDENT RAUL LASTIRI, HIS WIFE, NORMA LASTIRI, AND FORMER ECONOMY MINISTER CELESTINO RODRIGO.

2. IN INTERVIEW WITH GOVERNMENT OFFICIAL RESPONSIBLE FOR MONITORING PRIVATE FOUNDATIONS, OPINION REPORTERS DISCOVERED THAT ORGANIZATION HAS FAILED TO MEET ALL OF THE LEGAL REQUIREMENTS FOR PRIVATE FOUNDATIONS, E.G., PUBLICATION OF QUARTERLY REPORTS, MINUTES OF BOARD MEETINGS, DISCLOSURE OF SOURCES OF FUNDS AND THEIR DISBURSEMENT, ETC. PAPER, WHICH CLAIMED IT HAD ASSIGNED SEVERAL REPORTERS TO STORY, CLAIMED OPERATION OF ORGANIZATION SO MURKY IT DOUBTED THAT AVERAGE WELFARE RECIPIENT

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PAGE 02 BUENOS 06454 261413Z

COULD HAVE FOUND HIS WAY TO THE CRUZADA'S OFFICE, MUCH LESS

SECURED ASSISTANCE. OPINION PIECE INTIMATED THAT STRONG GROUNDS EXIST FOR PRESUMING THAT THIS PRIVATE ORGANIZATION RECEIVED VIRTUALLY ALL ITS FUNDS FROM "DISCRETIONARY" ACCOUNTS OF THE SOCIAL WELFARE MINISTRY. (SHORTLY AFTER LOPEZ REGA FELL FROM POWER, IT WAS OFFICIALLY REVEALED THAT DURING HIS TENURE, SOCIAL WELFARE MINISTRY HAD 26 DISCRETIONARY ACCOUNTS WHOSE INCOME AND EXPENDITURES WERE NOT SUBJECT TO AUDIT.) PAPER ENDED ARTICLE BY NOTING THAT ONLY INVESTIGATION BY CONGRESS OR JUDICIAL BODY WITH SUBPOENA POWERS COULD PROPERLY UNTANGLE QUESTION OF THE CHECK AND THE PRESUMED COMINGLING OF GOVERNMENT AND PRIVATE FUNDS MANAGED BY CRUZADA.

3. ON THE CONGRESSIONAL LEVEL, EFFORTS BY UCR AND OTHER OPPOSITION LEADERS TO CREATE INVESTIGATING COMMITTEE TO DELVE INTO CHECK MATTER REMAIN STALLED. IN SENATE, THE ISSUE WAS, AFTER SOME ACRIMONY ON FLOOR, SENT TO CONSTITUTIONAL AFFAIRS COMMITTEE, WHERE PERONISTS HOPED TO KILL MATTER. IRONICALLY, AS TWO FREJULI SENATORS ON COMMITTEE WILL BE OUT OF COUNTRY, COMMITTEE WILL HAVE A NON-PERONIST MAJORITY UNTIL END OF CURRENT SESSION. FERNANDO DE LA RUA, LEADING UCR SENATOR, IS ACTING CHAIRMAN OF CONSTITUTIONAL COMMITTEE AND HAS PUBLICLY EXPRESSED HIS DESIRE TO PRESS FORWARD WITH AN INVESTIGATION. AT THIS JUNCTURE, ONLY HOPE FOR PERONISTS TO FORESTALL ISSUE WOULD BE FOR REMAINING PERONIST ON CONSTITUTIONAL COMMITTEE TO AVOID ATTENDING COMMITTEE SESSIONS, THEREBY PREVENTING A QUORUM. EFFECT OF SUCH A STEP ALONG WITH PREVIOUS PARLIAMENTARY MANEUVERING IN HOUSE WOULD ONLY SERVE TO DRAW SCANDAL EVER MORE TIGHTLY AROUND ENTIRE PERONIST PARTY RATHER THAN JUST AROUND PRESIDENT, LOPEZ REGA, BENITEZ, ET AL. IN CHAMBER OF DEPUTIES SEPTEMBER 22 SESSION, OPPOSITION PARTIES ATTEMPTED TO HAVE ISSUE DEBATED ON A PRIORITY BASIS. NEITHER THIS MOTION NOR A SUBSEQUENT EFFORT TO CREATE SPECIAL CHAMBER COMMITTEE CARRIED. CONGRESSMAN FRANCISCO MOYANO (FEDERALIST PARTY, MENDOZA), WHO MADE MOTION, ARGUED THAT BOTH A DEBATE AND AN INVESTIGATION WOULD SERVE AS "A MORAL LESSON," BUT HIS PLEA WENT UNHEEDED BY PERONISTS.

4. MORAL DIMENSION OF ISSUE REACHED NEW HEIGHTS SEPTEMBER 24 WHEN THE CHAPLAIN OF THE MILITARY, MONSIGNOR VICTORIO BONAMIN, IN A MASS IN MEMORY OF ASSASSINATED COLONEL JULIO LARRABURE, CONFIDENTIAL

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PAGE 03 BUENOS 06454 261413Z

CONDEMNED CORRUPTION IN ARGENTINA IN STRONGEST TERMS. IN KEY PASSAGE, BONAMIN DURING MASS ASKED FOLLOWING QUESTIONS: "WOULDN'T CHRIST WANT SOME DAY FOR THE ARMED FORCES TO GO A BIT BEYOND THEIR PRESENT FUNCTIONS? WOULDN'T CHRIST WISH THE BEGINNING OF A PURIFICATION PROCESS? COULD IT BE THAT THE ARGENTINE ARMY IS WITH ITS ARMS PROTECTING THIS FESTIVAL OF THE CORRUPT? BONAMIN ENDED POLEMIC BY NOTING THAT LARRABURE, WHO HAD SUFFERED AS HAD CHRIST ON THE CROSS, WAS NOW WITH HIS

GOD BUT THAT ARGENTINA WAS LEFT WITHOUT ANY MORAL MODELS.  
WHILE SPEECH HAS BEEN ATTACKED AS "GOLPISTA" IN TENOR, IT  
SERVED TO DRAW FURTHER ATTENTION TO CHECK ISSUE WHICH HAS COME  
TO SYMBOLIZE THE GROWING CORRUPTION ISSUE.

5. COMMENT: WHATEVER DILATORY TACTICS PERONISTS PURSUE ON  
CHECK ISSUE, ALL UCR POLITICIANS CONTACTED BY EMBASSY AGREE  
THEY WILL NOT LET IT GO AWAY. AS ISSUE GROWS IN POPULAR  
CONSCIOUSNESS, OPPOSITION POLITICIANS SEE CHANCE TO SCORE  
EASY POINTS AT PERONIST EXPENSE. THERE IS SOME PRIVATE  
SPECULATION, AS YET UNCONFIRMED, THAT IF VERTICALISTAS ATTEMPT  
TO BRING MRS. PERON BACK FROM HER VACATION EARLY TO UNDO LUDER'S  
WORK, LATTER WILL THREATEN TO LET INVESTIGATION GO FORWARD IN  
SENATE TO HER ACUTE EMBARRASSMENT.  
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